

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON SEPTEMBER 13 AND 14, 2005

Pursuant to the call of the Chairman and notice duly given, the meeting of the Committee of the Whole and the regular meeting of the Commissioners of the Virginia Housing Development Authority (the "Authority") were held on September 13 and 14, 2005 at The Hotel Roanoke and Conference Center, 110 Shenandoah Avenue, Roanoke, Virginia.

COMMISSIONERS PRESENT:

Douglas R. Fahl, Chairman
Jay Fisette, Vice Chairman
Jody M. Wagner
John P. McCann
Edward L. McCoy
Charles McConnell
Jack Loeb, Jr.
William C. Shelton

COMMISSIONERS ABSENT

Gerald W. Hopkins
Terri M. Ceaser
Yvonne T. Allmond

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
Arthur N. Bowen, Managing Director of Finance and Administration
Ronald A. Reger, Managing Director of Information Services
Tammy N. Taylor, Managing Director of Human Resources
Russ E. Wyatt, General Auditor
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., General Counsel
John F. Hastings, Director of Multi-Family Development Programs
Michele G. Watson, Director of Homeownership Programs
Tammy A. Tyler, Strategic Development Leader
Patrick J. Carey, Finance Manager
Brian C. Matt, Public Relations Manager
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Paul M. Brennan, Deputy General Counsel

J. Michael Hawkins, Director of Community Housing
William Fuller, Housing Initiatives Officer
Llewellyn C. Anderson, Business Planning Analyst
Gail Braham, Community Outreach Coordinator
Colleen A. Schwarz, GMAC Commercial Holding Capital Corporation
Evelyn Slone, Berwick Heights Neighborhood Association
Joe Marks

Chairman Fahl called the meeting of the Committee of the Whole to order at 3:15 p.m. on September 13, 2005. The Commissioners listed above as present at the meeting were present at that time, except Vice Chairman Fisette and Commissioners Wagner and McCoy who joined the meeting in progress as noted below and except Commissioner Loeb who was not present.

Mr. Fuller presented a video on universal design that had been produced for the Authority. During this presentation, Commissioner Wagner joined the meeting.

Mr. Bowen and Mr. Carey presented a report on the multi-family developments owned by the Authority. During this presentation, the Commissioners and the staff discussed the following matters: the current policies and practices of the Authority with respect to the developments; the financial advantages and disadvantages of retaining ownership; the preservation of the developments as low and moderate income housing; the causes of default in the developments acquired by foreclosure or deed in lieu of foreclosure; the funding of additional investment in the developments so acquired; and the reasons for disposing of developments so acquired.

Mr. Hill presented an update report on the Authority's strategic planning process for fiscal year 2007. In this report, Mr. Hill explained that the major focus in fiscal year 2007 would be to implement the current strategic plan and to measure the resulting outcomes and that the goals in the strategic plan are not expected to change, although the objectives and strategies may be revised. Mr. Hill stated that the Commissioners are encouraged to provide input on the strategic plan during the process. During this report, no changes to the strategic planning process were recommended, and it was the consensus of the Commissioners that the staff proceed with the strategic planning process as presented.

Ms. Dewey presented the final report on the organizational performance of the Authority for fiscal year 2005 in which she noted the final loan production numbers and net revenue amount.

Mr. Bowen reported on the proposed acquisition of real property located at 4224 Cox Road in Henrico County, Virginia. During this report, Commissioner McCoy joined the meeting. The Commissioners and the staff discussed the costs to acquire, improve and operate the building located on such property, the physical condition of the building,

possible alternative locations, the availability of underground utilities, and the suitability and appropriateness of the location.

Ms. Dewey distributed her proposed performance objectives for fiscal year 2006, and Chairman Fahl requested that the Commissioners provide any comments prior to the meeting of the Board on the next day so that he could execute the performance objective form after such meeting.

Mr. Chandler reported on the status of the multi-family development known as The Villages at Garst Creek and advised the Commissioners as to the issues regarding such development.

Ms. Dewey advised the Commissioners that the Granting Freedom Program had been initiated for disabled veterans of the Iraq War. Ms. Dewey also informed the Commissioners that the Authority had offered \$500,000,000 in tax-exempt financing and homeownership counseling to be included in the Commonwealth proposal to the BRAC Commission to retain the Oceana Naval Air Base.

Ms. Dewey advised the Commissioners of issues that had recently arisen with regard to the Authority's financing of the purchase of certain mobile homes. At this time, Vice Chairman Fisette joined the meeting.

Mr. Shelton reviewed the agenda for the Governor's Housing Conference being held on September 14th-16th.

There being no further business, the meeting of the Committee was adjourned at approximately 6:28 p.m. on September 13, 2005.

Chairman Fahl called the regular meeting of the Board of Commissioners to order at approximately 11:20 a.m. on September 14, 2005. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Shelton who left the meeting as noted below and except Commissioner McCoy who joined the meeting in progress as noted below and thereafter remained present during the meeting.

In the public comment period of the meeting, Ms. Slone and Mr. Marks commented on the development known as The Villages at Garst Creek that had received a reservation of federal low-income housing tax credits and that was being financed by the Authority. Ms. Slone and Mr. Marks described the possible impact of the development on the surrounding neighborhood and the effect of the relocation of existing tenants. In her comments, Ms. Slone suggested changes to the Qualified Allocation Plan for the federal low-income housing tax credits that would give preference for more experienced developers, mixed income developments, tenant management and operation plans, and involvement of local residents. During this comment period, Commissioner McCoy joined the meeting.

On motion duly made and seconded, the minutes of the Committee of the Whole and the annual meeting held on July 26 and 27, 2005 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Mr. Bowen presented a report on the Authority's unaudited financial statements for the period ended June 30, 2005.

Chairman Fahl reported that the Committee of the Whole had viewed a video on universal design and had reviewed and discussed reports on the following matters: the multi-family developments owned by the Authority; the strategic planning process for fiscal year 2007; the Authority's organizational performance for fiscal year 2005; and the status of the development known as The Villages at Garst Creek. Chairman Fahl noted that, at the meeting of the Committee, the Executive Director's performance objectives for fiscal year 2006 had been distributed for comment. Chairman Fahl reported that the Committee had reviewed and discussed the proposed acquisition by the Authority of real property located at 4224 Cox Road in Henrico County, Virginia. Commissioner McCann moved that the Executive Director be authorized, on behalf of the Authority, to purchase the real property located at 4224 Cox Road in Henrico County, Virginia, at such price and on such terms and conditions as the Executive Director shall approve, provided that the purchase price shall not exceed \$4,200,000, and to execute any and all agreements, instruments and documents as shall be necessary or appropriate to effect such purchase. This motion was seconded by Commissioner Wagner and was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting, except Commissioner McCoy who voted no.

Commissioner McCann, on behalf of the Audit/Operations Committee, reported that the Committee had reviewed and discussed a report presented by KPMG LLP, by telephone conference call, on its audit of the Authority's annual financial statements for the fiscal year ending June 30, 2005 and that the representatives of KPMG LLP had advised the Committee that KPMG LLP expected to issue a clean audit report and did not expect to report any significant management issues. Commissioner McCann next reported that the Committee had received and discussed (i) reports from the General Auditor on the internal audit schedule and the audit reports issued since the prior meeting, and (ii) reports from Ms. Taylor on the employee benefits for 2006 and on the results of the fiscal year 2005 performance management evaluations and related merit and bonus compensation. Commissioner McCann advised the Commissioners that the Committee had authorized the staff to proceed with the buydown of sick leave balances and the imposition of limits on the accrual of future sick leave, as recommended by the staff to the Committee. Commissioner McCann next reported that the Committee had reviewed and discussed, and recommended approval of, a proposed resolution that would declare VHDA's intent to issue tax-exempt bonds and use the bond proceeds to reimburse expenditures for proposed repairs and improvements to West Creek Manor Apartments. On motion duly made and seconded, the resolution entitled "Declaration of Official Intent to Reimburse Expenditures with Proceeds of Bonds for West Creek Manor Apartments" dated September 14, 2005, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Commissioner McCann next reported that the Committee reviewed and discussed, and recommended approval of, the bond limitations resolution for the sale and issuance of the Authority's Rental Housing Bonds. On motion duly made and seconded, the resolution entitled "Bond Limitations Resolution" dated September 14, 2005, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner McCann next reported that the Committee had received and discussed a report and recommendations on the selection of the Authority's bond counsel, special tax counsel and outside counsel. Commissioner McCann then moved that the Executive Director be authorized to negotiate and execute contracts with the firms, as recommended, for the performance of legal services on such terms and conditions as the Executive Director shall deem necessary or appropriate. This motion was seconded by Commissioner McCoy and approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Commissioner McConnell, on behalf of the Programs Committee, reported that the Committee had reviewed and discussed staff reports on the homeownership and multi-family bi-monthly loan production and single family and multi-family loans delinquencies. Commissioner McConnell next reported that the Committee had reviewed and discussed, and recommended approval of, a proposed resolution that would amend the Authority's PHA Plan to give a preference for housing choice vouchers to victims of Hurricane Katrina who are holders of such vouchers or residents of public housing and up to 160 other victims of Hurricane Katrina who are income eligible, provided that alternative housing resources will be explored to the extent possible. On motion duly made and seconded, the resolution entitled "Resolution Prioritizing a Preference for Hurricane Katrina Victims for the Virginia Housing Development Authority Housing Choice Voucher Program" dated September 14, 2005, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner McConnell advised the Commissioners that the Committee had received and discussed a report on proposed changes to the Qualified Allocation Plan for the 2006 federal low-income housing tax credits. It was the consensus of the Commissioners that the staff proceed with the public notice and hearing on such proposed changes and solicit comments from the public on any additional changes for encouraging location of developments near public transportation and for avoiding displacement of existing residents in developments by permitting or encouraging mixed income limits for such developments. At this time Commissioner Shelton left the meeting. Commissioner McConnell next reported that the Committee had reviewed, and recommended approval of, a resolution to approve and ratify the reservations of federal low-income housing tax credits for Gosnold Apartments, Parham Park Place II, Hunter's Park at Cherrydale, and Mountain Crest in accordance with the resolution approved by the Commissioners at their meeting on July 27, 2005. On motion duly made and seconded, the resolution entitled "Resolution Approving and Ratifying Reservations of Federal Low-Income Housing Tax Credits" dated September 14, 2005, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners then present at the meeting. Commissioner McConnell advised the Commissioners that the Committee had received a report on proposed amendments to the Authority's Rules and Regulations for Administration of Rent Reduction Tax Credits that would implement the

legislation enacted in the 2005 Session of the General Assembly extending the state rent reduction tax credits through 2010 and that the staff is to proceed with the public notice and hearing on such proposed amendments. Commissioner McConnell reported that the Committee had received a report and discussed the selection of Vision Integration Services, Inc., as the consultant to provide minority outreach services for the Authority in the Richmond and Hampton Roads and that, in lieu of conducting minority outreach in Northern Virginia, the staff would pursue initiatives that would assist eligible persons to locate properties that meet the Authority's sales price limits.

Ms. Dewey presented her report of operations in which she advised the Commissioners as to the following matters: the schedule and agenda items for the Board meetings during fiscal year 2006; the brochures and pamphlets that had been developed to describe the Authority's loan programs and services; and the favorable audit report by the Virginia Department of Emergency Management on the Authority's Business Continuity Plan.

Chairman Fahl then presented Mr. McKellar with a resolution in recognition of his 30 years of service. On motion duly made and seconded, the resolution entitled "Resolution in Recognition and Appreciation of Thirty Years of Service by J. Judson McKellar, Jr." dated September 14, 2005, in the form attached hereto was approved by the affirmative vote of each of the Commissioners then present at the meeting.

There being no further business, the meeting was adjourned at approximately 1:10 p.m.

Douglas R. Fahl, Chairman

J. Judson McKellar, Jr.
Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE
ON SEPTEMBER 14, 2005

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Programs Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on September 14, 2005, at The Hotel Roanoke and Conference Center, 110 Shenandoah Avenue, Roanoke, Virginia.

COMMITTEE MEMBERS PRESENT:

Charles McConnell, Committee Chairman
William C. Shelton
Jack Loeb, Jr.
Douglas R. Fahl, *ex officio*
Jay Fisette, *ex officio*

COMMITTEE MEMBERS ABSENT:

Terri M. Ceaser
Gerald W. Hopkins

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
J. Judson McKellar, Jr., General Counsel
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
Michele G. Watson, Director of Homeownership Development Programs
John F. Hastings, Director of Multi-Family Development Programs
Tammy A. Tyler, Strategic Development Leader
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Brian C. Matt, Public Relations Manager
J. Michael Hawkins, Director of Community Housing
Paul M. Brennan, Deputy General Counsel
Llewellyn C. Anderson, Strategic Planner
Colleen Schwarz, GMAC Commercial Holding Capital Corporation

The meeting of the Committee was called to order by Committee Chairman McConnell at approximately 9:03 a.m. All of the members of the Committee listed above as being present at the meeting were present at that time and remained present throughout the meeting, except Commissioners Loeb who joined, left and rejoined the meeting as noted below and Commissioner Fahl who joined and left the meeting as noted below.

On motion duly made and seconded, the minutes of the meeting of the Committee held on July 27, 2005 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Ms. Watson reviewed the homeownership bi-monthly production report, and Mr. Hastings reviewed the multi-family bi-monthly production report. During these reports, Commissioners Loeb and Fahl joined the meeting.

Mr. McKellar presented proposed amendments to the Authority's Rules and Regulations for Administration of Rent Reduction Tax Credits that would implement the legislation enacted in the 2005 Session of the General Assembly extending the state rent reduction tax credits through 2010. Mr. McKellar advised the members of the Committee that the staff would be proceeding with the public notice and hearing on such proposed amendments.

Mr. Dolce presented reports on the status of delinquencies and foreclosures in the homeownership and multi-family loan servicing portfolios. Commissioner Loeb left and rejoined the meeting during this report.

By telephone conference call, Ms. Fairburn presented a proposed resolution that would amend the Authority's PHA Plan to give a preference for housing choice vouchers to victims of Hurricane Katrina. During the discussion of this proposed resolution, Commissioners Loeb and Fahl left the meeting. Upon the conclusion of this discussion, the proposed resolution was revised to give a preference for housing choice vouchers to victims of Hurricane Katrina who are holders of such vouchers or residents of public housing and up to 160 other victims of Hurricane Katrina who are income eligible, provided that alternative housing resources will be explored to the extent possible. Commissioner Fisette moved that the Committee recommend approval of the resolution entitled "Resolution Prioritizing a Preference for Hurricane Katrina Victims for the Virginia Housing Development Authority Housing Choice Voucher Program" dated September 14, 2005, as so revised. This motion was seconded by Commissioner Shelton and was approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Mr. Chandler presented a summary of the proposed changes to the Qualified Allocation Plan for the 2006 federal low-income housing tax credits. During this presentation, Commissioner Loeb rejoined the meeting. Mr. Chandler advised the members of the Committee that the staff would be proceeding with the public notice and hearing on such proposed changes.

Mr. Chandler next presented a resolution to approve and ratify the reservations of federal low-income housing tax credits for Gosnold Apartments, Parham Park Place II, Hunter's Park at Cherrydale, and Mountain Crest in accordance with the resolution approved by the Commissioners at their meeting on July 27, 2005. Commissioner Fisette moved that the Committee recommend approval of the resolution entitled "Resolution Approving and Ratifying Reservations of Federal Low-Income Housing Tax Credits" dated September 14, 2005. This motion was seconded by Commissioner Shelton and was approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Ms. Watson and Mr. Ritenour presented an update on the Homeownership Minority Outreach initiative. Ms. Watson reported that Vision Integration Services, Inc., had been selected as the consultant to conduct minority outreach in the Richmond and Hampton Roads areas and that, in lieu of conducting minority outreach in Northern Virginia, the staff would pursue initiatives that would assist eligible persons to locate properties that meet the Authority's sales price limits.

There being no further business, the meeting was adjourned at 11:08 a.m.

Minutes of the Meeting of the Audit/Operations Committee Held on September 14, 2005

The meeting of the Audit/Operations Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on September 14, 2005 at the Hotel Roanoke and Conference Center, Monroe Room, 110 Shenandoah Avenue, Roanoke, Virginia.

Committee Members Present	John McCann, Chairman Edward L. McCoy Jody Wagner
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Others Present	Susan F. Dewey, Executive Director Arthur N. Bowen, III, Managing Director of Finance & Administration Tammy N. Taylor, Managing Director of Human Resources Ron Reger, Managing Director of Information Services Russ E. Wyatt, General Auditor J. Judson McKellar, Jr., General Counsel Michelle S. Edmonds, Sr. Executive Assistant
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KPMG Conference Call	VHDA staff were asked to leave the room while Board members participated in a conference call with VHDA's outside financial auditor, KPMG. KPMG staff discussed with the Board the draft financial statements for fiscal year 2005. The report will now be finalized and KPMG is expected to complete its audit in time for the final, audited statements to be delivered to the state by September 30. Commissioner McCann indicated that KPMG had not identified any findings resulting from their audit, and that KPMG had been asked about any issues surrounding the calculation of loan loss reserves, and around real estate owned. KPMG indicated that no issues had been identified.
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Meeting Called to Order	After the above telephone conference call, the meeting was called to order at 9:21 a.m. on Wednesday, September 14, 2005. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.
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Internal Audit Update	The General Auditor reviewed his updated audit schedule with the Committee and reported that the audits in progress are all within the Support Services Department and include: Office Services, Facility Services, Procurement, the Receptor Security System, the Signal HAVAC Early Warning System and the Boxes Application System.
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The General Auditor then reported that three audits had been completed since the last meeting 1) The Payroll Department; 2) The Windows Server Operating Systems (2000 & 2003); and 3) The Human Resources Division. The General Auditor

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**Internal Audit
Update** (cont'd)

reported that the Payroll and Windows Operating System audits were clean reports and the Payroll Division received a standard report. The General Auditor also reported that there were no adverse reports issued since the last Committee meeting. The General Auditor then discussed the results of the Human Resources audit with the Committee.

**Human
Resources
Update**

Tammy Taylor, Managing Director of Human Resources, gave an update on 2006 benefits. Plans are on schedule for implementation January 1, 2006. This includes new benefits (as determined in July), retiree healthcare plan and related policies and procedures. She also provided a handout outlining summary data from the FY '05 performance management process. The next step is for HR to complete an adverse impact study. Assuming that nothing is found, these numbers should be firm. The average merit amount for FY '05 is 3.96%. Merit and bonuses are to be paid out on October 12. Ms. Taylor plans to provide another status update on benefits at the November meeting.

Ms. Taylor also updated the committee on the sick leave reduction program. Many associates who have been at VHDA a great length of time have accrued large sick leave balances. McGuire Woods has indicated that this poses an implied liability. The three tiered goal is now to:

1. Have a clear policy going forward especially with regard to the partial payout at termination;
2. Buy back sick hours in excess of 400 hours at 25 cents on the dollar; and
3. Encourage associates receiving sick leave buydown funds to put the money in a retirement savings vehicle (such as a Roth IRA) and/or contribute to a charity of their choice.

Effective January 1, 2006, sick leave balances will be capped at 400 hours. The cost to implement this program is approximately \$700,000. It was the consensus of the Committee that the staff proceed with the buydown of sick leave balances and the imposition of limits on the accrual of future sick leave, as recommended.

**Declaration of
Official Intent
to Issue Bonds
to Reimburse
Expenditures
for West Creek
Manor
Renovations**

Art Bowen, Managing Director of Finance & Administration, reviewed for the Committee a resolution that would declare VHDA's intent to issue tax-exempt bonds and use the bond proceeds to reimburse expenditures for proposed repairs and improvements to West Creek Manor Apartments. Renovation costs for this project will be in the range of \$4.2 million. A motion to recommend approval by the Board of the resolution entitled "Declaration of Official Intent to Issue Bonds to Reimburse Expenditures for West Creek Manor Renovations" was made by Commissioner Wagner and seconded by Commissioner McCoy. This motion was approved by the affirmative vote of each of the Commissioners then present at the meeting.

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**Bond
Limitations
Resolution for
Rental Housing
Bonds**

Judson McKellar, Legal Counsel, summarized for the Committee a resolution that will authorize the issuance and sale of an additional \$150 million of the Authority's multi-family Rental Housing Bonds through May 31, 2006. A motion to recommend approval by the Board of the resolution entitled "Bond Limitations Resolution" was made by Commissioner Wagner and seconded by Commissioner McCoy. This motion was approved by the affirmative vote of each of the Commissioners then present at the meeting

**Selection of
Bond Counsel,
Special Tax
Counsel and
Outside
Counsel**

Judson McKellar, Legal Counsel, reviewed for the Committee a report and recommendations on the selection of the Authority's bond counsel, special tax counsel and outside counsel. It was the consensus of the Committee to recommend that VHDA's Executive Director be authorized to negotiate and execute contracts with the firms, as recommended, for the performance of legal services on such terms and conditions as the Executive Director shall deem necessary or appropriate.

Adjournment

There being no further business, Commissioner McCann adjourned the meeting at 10:32 a.m.

Arthur N. Bowen, III
Managing Director of Finance &
Administration

John P. McCann
Chairman

HOUSING FOR VIRGINIA, INC.
MINUTES OF THE
ANNUAL MEETING OF SHAREHOLDERS

September 13, 2005

The 2005 annual meeting of the shareholders of HOUSING FOR VIRGINIA, INC. was called to order at the Virginia Housing Center, the principal office of the Company, 601 South Belvidere Street, Richmond, Virginia, on September 13, 2005, at approximately 2:01 p.m. (Richmond Time), by Thomas A. Dolce, President of the Company. Mr. Dolce announced that he would act as Chairman and Secretary of the meeting.

The Chairman announced that the stated purposes of the 2005 annual meeting of shareholders were: (1) to elect the full board of five directors for the ensuing year; and (2) to transact such other business as may properly come before the meeting.

The Chairman noted the attendance of the sole shareholder of the Company. He then declared that the 2005 annual meeting of shareholders had been duly convened and that a quorum of the shareholders was present at the meeting for the transaction of all business to come before the meeting.

The Chairman stated that it was in order to proceed to the election of directors. The Chairman then asked the sole shareholder of the Company to vote its choices in the election of directors.

Susan F. Dewey then identified herself as the Executive Director of the Virginia Housing Development Authority, the sole shareholder of the Company, and that as such she was authorized to vote all shares of common stock of the Company held by the Virginia Housing Development Authority. She then proceeded to vote all shares of the common stock of the Company held by the Virginia Housing Development Authority for the nomination and election of each of the following persons as a director of the Company to serve until the next regular annual meeting of the shareholders of the Company or until his or her successor is elected and

qualified: Susan F. Dewey, Donald L. Ritenour, Thomas A. Dolce, J. Judson McKellar, Jr., and Arthur N. Bowen, III.

The Chairman then declared that each of the director nominees was elected as a director of the Company to serve until the next regular annual meeting of the shareholders of the Company or until his or her successor is elected and qualified.

There being no further business to be conducted, the meeting was adjourned upon the vote of the holder of all the issued and outstanding common stock of the Company.

Thomas A. Dolce
Chairman and Secretary of the Meeting

HOUSING FOR VIRGINIA, INC.

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS

September 13, 2005

The 2005 annual meeting of the Board of Directors of HOUSING FOR VIRGINIA, INC. was called to order at the Virginia Housing Center, the principal office of the Company, 601 South Belvidere Street, Richmond, Virginia, on September 13, 2005, at approximately 2:01 p.m. (Richmond Time), by Thomas A. Dolce, President of the Company. Mr. Dolce announced that he would act as Chairman and Secretary of the meeting.

The Chairman noted that three of the five members of the Board of Directors, Susan F. Dewey, Arthur N. Bowen, III, and himself, were present at the meeting. He then declared that the 2005 annual meeting of Board of Directors had been duly convened and that a quorum of the directors was present at the meeting for the transaction of all business to come before the meeting.

The Chairman then stated that it was in order to proceed to the election of officers. On motion made, seconded and by the unanimous votes of Ms. Dewey, Mr. Dolce and Mr. Bowen, the following persons were elected as officers, each of whom shall serve until the next annual meeting of the Board of Directors or until his successor is and qualified:

Thomas A. Dolce	.	-	President
Arthur N. Bowen, III		-	Vice President and Treasurer
J. Judson McKellar, Jr.		-	Vice President and Secretary

There being no further business to be conducted, upon a motion duly made, seconded and unanimously carried, the meeting was adjourned.

Thomas A. Dolce
Chairman and Secretary of the Meeting